

**INDIANA HOUSING FINANCE AUTHORITY
MORTGAGE CREDIT CERTIFICATE PROGRAM
APPLICATION PACKAGE SUBMISSION**

Lenders are encouraged to pre-qualify borrowers for credit eligibility whenever possible, loan applications (1003) can be dated prior to the date of the purchase/sales agreement. **NOTE: IHFA'S DOCUMENTS CANNOT BE DATED PRIOR TO THE DATE OF THE RESERVATION.**

Due Date and Submission

The Participating Lender is responsible for performing a thorough investigation to determine that both the borrower(s) and the property meet program requirements. Within forty-five (45) calendar days of the date of the reservation, the following information must be submitted to IHFA:

- (1) Document Order Checklist - **Original** (MCC-1 dated 4/04)
- (2) Mortgage Loan Application - **Copy** (FNMA 1003)
- (3) Borrower's Application Agreement - **Original** (MCC-2 dated 4/04)
- (4) Household Income Statement - **Original** (MCC-3 dated 4/04)
- (5) Photocopies of past three years' tax returns or **1722 Original**
- (6) Divorce Decree or Legal Separation Agreement; If applicable - **Copy**
- (7) Informational Certification - **Original** (MCC-4 dated 4/04)
- (8) Income Tax Affidavit; if applicable - **Original** (MCC-5 dated 4/04)
- (9) Acquisition Cost Worksheet - **Original** (MCC-6 dated 4/04)

The Application Package must be "Acco" fastened together. PLEASE DO NOT STAPLE.

If the loan amount has changed please make a note of it on the file and enclose the additional reservation fees if applicable.

Tax Returns

The top of the tax return must be completed with the borrower/co-borrower's social security number and address and must be signed. IHFA must be provided the original 1722 if applicable. IRS printouts must be signed by the borrower(s) if there is not an original 1722 signed by the IRS attached. The Electronic Filing is not sufficient - we must have the actual return. Telefile must have the confirmation number written in.

Application Package Submission Extension

Subject to the availability of funds, IHFA will review requests for extensions of the submission of the application package. Extensions will be granted solely at the discretion of IHFA and will only be considered upon the submission of:

- (a) A written request submitted prior to the expiration of the reservation (45 days from the reservation date) **that lists specific reasons for the extension request and the projected date the application package will be submitted;** and
- (b) The extension fee (for each 30 day extension requested). A fee schedule is included at the end of Section 5.
- (c) Any Application/Compliance Package that has not been received **and** the 90th/existing or 180th/new day have occurred will require two extension fees. The first being \$50.00 for each 30 day extension for the Application

Package being late and 1/4 of 1% of the total loan amount for the Certificate not being issued. Each of these fees will extend the expiration date for thirty days from the date it was due.

Extension, reinstatement, late submission and resubmission fees cannot be paid by the Borrower(s) and they are not refundable! Extension and reinstatement fees can be paid by the Participating Lender, Builder, Real Estate Agent, or Seller. Any lender who allows the borrower to pay extension, reinstatement, late submission or resubmission fees will have to refund those fees to the borrower and show proof of refund to IHFA. In addition, the lender may face probation in IHFA's Programs.

Cancellation

If the application package is not delivered to IHFA within forty-five (45) calendar days from the reservation date, the reservation will be canceled on the Thursday following the due date.

Subject to the availability of funds, IHFA will review requests for reinstatement of the reservation. Such extensions will be granted solely at the discretion of IHFA and will only be considered upon the submission of:

- (a) A written request for reinstatement and submission of the application package;
- (b) The reinstatement fee; and
- (c) The extension fee (for each 30-day extension requested). A copy of the fee structure is included in the back of section 5.

If the reservation is canceled for more than 30 days, the reservation cannot be reinstated.

Application Package Submission Approval

All files will be reviewed in the order that they are received. Any mail received by the Authority before 12:00 (noon) will be logged in as received that day. If the mail is received after 12:00 (noon), it will not be logged in until the next business day. The Authority will underwrite the file within seventy-two (72) hours from the date the file is logged in to the point at which a letter is generated to the Lender either approving or pending the file. The letter will be faxed to your company's contact on the next business morning.

When IHFA determines that the application package is complete and in compliance with program requirements, IHFA will issue a preliminary approval letter. The letter will be faxed to your contact person the next business morning. **Please read the preliminary approval letter and verify that the information agrees with your records. The closing date of the loan cannot precede the conditional commitment date located at the top of the preliminary approval letter.** This letter will also list a conditional commitment expiration date (located at the bottom of the approval letter). The Mortgage Credit Certificate must be issued prior to the conditional commitment expiration date. The closing package must indicate that there have been no material changes that would result in borrower or property ineligibility.

Application Package Submission (Pended)

If IHFA needs additional information or if the application package is incomplete, the application package will be “pended” and IHFA will issue a Missing Document Letter. The 30 days of the original date of the missing document letter along with a \$25.00 resubmission fee. Even if the file is “updated” the documents are still required 30 days from the original date of the letter. The \$25.00 resubmission fee will be due each time the conditions are reviewed. **File must be approved in 30 days. There are no extensions allowed for missing document letters.**

Faxed conditions will no longer be accepted.

Cancellation and Permanent Cancellation

If IHFA cannot approve the loan within 30 days of the date of the letter, IHFA will cancel the reservation the Thursday following the due date.

At the time of cancellation the lender has 30 additional days to reinstate the file. If on the thirty-first (31st) day after cancellation the loan has not been reinstated and approved, the file will be **PERMANENTLY CANCELED**. AT THIS POINT THERE WILL BE NO FURTHER REINSTATEMENTS. THE APPROPRIATE REFUND WILL BE PROCESSED AND RETURNED TO THE ORIGINATING LENDER. Refunds are in accordance with the Fee Schedule found at the end of Section 5.

Denied Reservation

IHFA may issue a denial letter if the information included in the application package indicates that the borrower(s) or the property does not meet program requirements. IHFA will cancel denied loans ten (10) days after the date on the denial letter and return the funds to the reservation window. IHFA will retain a portion of the reservation fee (see Fee Schedule) and the remainder of the reservation fee will be refunded to the Participating Lender within fourteen (14) days. Refunds are in accordance with the fee schedule found at the end of section 5.